

**State of Alaska**  
**FY2003 Governor's Operating Budget**

**Department of Education and Early Development**  
**Education Support Services**  
**Budget Request Unit Budget Summary**

## **Education Support Services Budget Request Unit**

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### **BRU Mission**

To provide support services to departmental programs and the operation of public schools.

### **BRU Services Provided**

Administrative Services provides services to the department in payroll, personnel, training, budget preparation and implementation, federal and state reporting, accounting, procurement and contracting.

Information Services provides research, maintenance, training and overall support for the department's Local Area Network, and PC's.

District Support Services manages the distribution of public school foundation, tuition, boarding home, and pupil transportation program funds through the collection, analysis and aggregation of data.

Educational Facilities Support provides oversight for the statewide school construction program.

### **BRU Goals and Strategies**

1. Provide timely and accurate financial management services
  - \* Budget preparation and implementation
  - \* Revenue collection
  - \* Federal and state reporting
  - \* Process and certify payments
  - \* Grant awards
  - \* Reimbursable services agreements
2. Provide timely and accurate personnel/payroll services
  - \* Payroll
  - \* Recruitment
  - \* Training
3. Provide purchasing and procurement services within state and federal requirements
  - \* Purchasing of supplies
  - \* Contracting for professional services
  - \* Inventory and leasing
  - \* Mail services
4. Provide reliable, efficient computing resources
5. Provide timely and accurate payments to school districts
6. Secure an adequate level of funding to meet school districts' school construction and major maintenance needs

### **Key BRU Issues for FY2002 – 2003**

Continuing to improve service delivery in support of department programs.

- \* improving the annual ranking process for capital project and bond reimbursement requests.
- \* developing school construction standards.
- \* securing a long-term stable source of funding for school construction and major maintenance projects.

**Major BRU Accomplishments in 2001**

- \* Maintained timely and accurate financial management services
- \* Conducted quarterly division staff/training meetings
- \* Provided professional level procurement services
- \* Maintained high level of timely and accurate payroll services
- \* Provided training opportunities for managers, supervisors and employees
- \* Developed performance standards and measures for employees
- \* Completed annual CIP prioritized list in accordance with statute

**Key Performance Measures for FY2003**

**Measure:**

the number of late penalties for payroll or vendor payments;  
 Sec 52(b)(1) Ch 90, SLA 2001(HB 250)

**Alaska's Target & Progress:**

There were no penalty payments for payroll or vendor payments in FY2001.

**Benchmark Comparisons:**

Penalty Payments	FY2000	FY2001
Payroll	0	0
Vendor	0	0

**Background and Strategies:**

The Division of Education and Support Services monitors payroll and vendor payments very carefully. Staff is held to performance standards requiring accurate and timely certification of payroll and payment of invoices within a five-day turnaround time.

**Measure:**

the cost of administrative services personnel compared to the total personnel costs for the department;  
 Sec 52(b)(2) Ch 90, SLA 2001(HB 250)

**Alaska's Target & Progress:**

FY2002 Personal Services costs totaled \$27,569,400. Administrative Services personnel costs were \$960,800 or 3.5%.

**Benchmark Comparisons:**

Personal Services Costs

	FY2001 Authorized	FY2002 Authorized
Department	26,057.5	27,569.4
Administrative Services	990.0	960.8
%	3.8%	3.5%

**Background and Strategies:**

The data used is the FY2002 authorized appropriated amounts for personal services. The department had 373 full time and 114 part time positions approved by the Conference Committee. Administrative Services has 17 full time positions.

**Measure:**

the number of department decisions on the annual school construction and major maintenance lists upheld by the State Board of Education and Early Development compared to the number of appeals;  
 Sec 52(b)(3) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

No appeals were filed for the prior year ranking.

The department issues the prioritized school construction and major maintenance lists on November 5, as required by statute. There is a period of reconsideration where school districts may ask the department to review the scoring decisions. A new list is issued on December 15 based on the reconsideration. School districts may choose to appeal the department's decision and a hearing officer is appointed to consider any appeals.

**Benchmark Comparisons:**

	FY01 CIP List	FY02 CIP List
Number of Appeal Hearings	1	0
Upheld by Board	1	0

**Background and Strategies:**

Ongoing efforts to improve the consistency and validity of the rating process have reduced the number of formal CIP appeals. The department annually provides training to school districts in preparing the CIP applications, which has contributed significantly to the quality of the application process.

**Measure:**

the percentage of school districts meeting the minimum expenditure for instruction.  
 Sec 52(b)(4) Ch 90, SLA 2001(HB 250)

**Alaska's Target & Progress:**

In FY2002, 24 of 53 school districts met the 70% minimum expenditure for instruction requirement based on their approved budgets. 29 school districts requested and received a waiver of the requirement from the State Board of Education and Early Development in accordance with AS 14.17.520(d).

**Benchmark Comparisons:**

In 1998 the legislature passed the new public school funding formula. The law includes a requirement for school districts to spend 70% of the school operating fund on instruction. The 70% requirement is in law at AS 14.17.520 and was phased in over a three-year period beginning with FY99. The minimum expenditure for instruction requirement was 60% in FY99, 65% in FY2000, and 70% in FY2001 and thereafter. Concurrently, the districts and department were required to improve statewide comparability and consistency in data reporting.

- The financial information in the FY2002 budgets, including the instructional percentages, will provide a baseline for comparative data in future years now that the implementation period and corresponding changes to data collection have been completed.

The minimum instructional expenditure law has been implemented through the three-year phase in FY99, FY00, and FY01 to the required 70% minimum on instruction. Implementation also included an emphasis on uniform expenditure classifications in order to improve statewide comparability and consistency in data reporting. A revised statewide school district chart of accounts is effective starting FY2002. This chart of account revision reflects three years of working towards increased uniform data in statewide reporting. The emphasis on collection of uniform data also brought about two changes in regulation affecting the instructional component; in FY2001 School Administration was included in instruction and in FY2002 School Administration-Support was broken out and support staff are no longer included in instruction. The 29 waivers in FY2002 are calculated under the fully revised regulations and chart of accounts, and incorporate three years of budget review and increased accuracy in financial reporting.

- Statewide the districts have shown continued improvement towards directing revenues towards instruction. In FY99 only eight districts budgeted 70% on instruction, this year 24 districts have budgeted 70% on instruction.

The increase in the number of waivers represents the implementation period and includes changes to data collection and comparability from one year to the next.

On an individual basis 49 of the 53 school districts have increased the instructional percentage since FY99. Of the four that have not shown an increase two were affected by data reporting requirements and two are small districts with declining enrollments.

**Background and Strategies:**

Districts have reported progress towards the 70% for instruction by reducing non-instructional staff and cutting back on other non-instructional expenditures.

- The department has focused on the administrative categories and with the new detail now provided from the revised chart of accounts the department will also focus on operations and maintenance.

The department's internal auditors review the individual districts twice a year; one budget review and one financial statement review. The reviews encompass a wide range of items and include individual correspondence to each district regarding expenditures.

The following table titled "Minimum Expenditure for Instruction Summary" illustrates the districts meeting this requirement since its inception in FY99.

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Minimum Expenditure for Instruction Summary

	60% Instructional Percentage FY 1999 Budget	60% Instructional Percentage FY 1999 Financial Statement	65% Instructional Percentage FY 2000 Budget	65% Instructional Percentage FY 2000 Financial Statement	70% Instructional Percentage FY 2001 Budget	70% Instructional Percentage FY 2002 Budget
Alaska Gateway	62%	63%	65%	68%	69%	65%
Aleutian Region	<b>56</b>	62	<b>62</b>	62	<b>65</b>	<b>67</b>
Aleutians East Borough	<b>50</b>	58	<b>64</b>	62	<b>69</b>	<b>67</b>
Anchorage	75	72	74	72	81	78
Annette Island	65	63	65	<b>57</b>	<b>69</b>	<b>61</b>
Bering Strait	61	63	65	65	70	70
Bristol Bay Borough	64	65	65	65	<b>69</b>	<b>69</b>
Chatham	75	70	67	<b>64</b>	<b>68</b>	<b>69</b>
Chugach	67	75	70	76	72	74
Copper River	67	65	66	66	<b>69</b>	<b>69</b>
Cordova City	65	69	66	66	75	70
Craig City	67	70	71	72	73	75
Delta Greely	66	71	72	70	77	73
Denali Borough	64	63	66	67	72	<b>68</b>
Dillingham City	73	67	71	67	78	74
Fairbanks North Star Borough	73	73	72	72	79	77
Galena City	67	72	73	69	82	75
Haines Borough	67	66	67	68	76	73
Hoonah City	61	<b>55</b>	<b>62</b>	59	<b>65</b>	<b>67</b>
Hydaburg City	<b>46</b>	47	65	<b>61</b>	<b>65</b>	<b>64</b>
Iditarod Area	<b>55</b>	59	65	67	75	<b>69</b>
Juneau Borough	74	73	74	74	82	78
Kake City	<b>54</b>	57	<b>63</b>	60	<b>63</b>	<b>62</b>
Kashunamiut	<b>59</b>	58	<b>61</b>	69	74	74
Kenai Peninsula Borough	68	68	68	68	76	73
Ketchikan Gateway Borough	69	69	70	69	78	76
Klawock City	63	61	69	65	74	70
Kodiak Island Borough	68	69	70	70	76	74
Kuspuk	61	62	65	65	73	<b>68</b>
Lake & Peninsula Borough	<b>55</b>	64	72	70	<b>69</b>	<b>67</b>
Lower Kuskokwim	66	64	67	66	75	73
Lower Yukon	60	61	<b>63</b>	62	<b>69</b>	<b>68</b>
Matanuska Susitna Borough	73	74	72	73	81	77
Nenana City	69	69	75	74	75	76
Nome City	61	63	<b>64</b>	64	<b>68</b>	<b>68</b>
North Slope Borough	<b>56</b>	57	<b>64</b>	63	<b>66</b>	<b>65</b>
Northwest Arctic Borough	<b>55</b>	56	<b>59</b>	58	<b>66</b>	<b>65</b>
Pelican City	62	61	69	68	<b>68</b>	<b>58</b>
Petersburg City	69	69	68	69	74	75
Pribilof Islands	<b>57</b>	56	<b>58</b>	61	<b>62</b>	<b>61</b>
Sitka Borough	76	75	76	76	84	81
Skagway City	<b>58</b>	58	<b>62</b>	60	<b>69</b>	<b>66</b>
Southeast Island	66	71	65	68	<b>69</b>	<b>69</b>
Southwest Region	62	65	68	66	74	<b>69</b>
St. Mary's City	65	60	66	65	<b>69</b>	<b>68</b>
Tanana City	61	<b>52</b>	<b>45</b>	46	<b>50</b>	<b>47</b>
Unalaska City	64	64	66	<b>61</b>	72	72
Valdez City	69	68	70	68	77	74
Wrangell City	70	69	70	70	76	74
Yakutat City	65	60	<b>62</b>	62	<b>69</b>	<b>69</b>
Yukon Flats	<b>52</b>	54	<b>52</b>	54	<b>57</b>	<b>61</b>
Yukon/Koyukuk	63	63	<b>63</b>	64	<b>69</b>	<b>68</b>
Yup'it	<b>53</b>	51	<b>62</b>	59	72	<b>63</b>
Total Waivers	13	2	16	4	24	29

**Bold** = Waiver Requested and Approved

SUMMARY OF PERCENTAGES BY CATEGORY

Districts below 60%	13	13	4	6	2	2
Districts between [60% - 65%]	14	16	12	13	2	6
Districts between [65% - 70%]	18	13	21	22	20	21
Districts at 70% and above	8	11	16	12	29	24
	53	53	53	53	53	53

**Education Support Services**  
**BRU Financial Summary by Component**

All dollars in thousands

	FY2001 Actuals				FY2002 Authorized				FY2003 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula Expenditures</b>												
None.												
<b>Non-Formula Expenditures</b>												
Administrative Services	742.9	0.0	439.9	1,182.8	686.5	0.0	455.1	1,141.6	701.5	110.0	463.1	1,274.6
Information Services	359.8	0.0	273.9	633.7	375.1	0.0	277.4	652.5	379.1	0.0	281.2	660.3
District Support Services	1,033.6	0.0	0.0	1,033.6	1,027.6	0.0	0.0	1,027.6	1,038.2	0.0	0.0	1,038.2
Educational Facilities Support	0.0	0.0	622.6	622.6	0.0	0.0	688.8	688.8	0.0	0.0	695.3	695.3
<b>Totals</b>	<b>2,136.3</b>	<b>0.0</b>	<b>1,336.4</b>	<b>3,472.7</b>	<b>2,089.2</b>	<b>0.0</b>	<b>1,421.3</b>	<b>3,510.5</b>	<b>2,118.8</b>	<b>110.0</b>	<b>1,439.6</b>	<b>3,668.4</b>

**Education Support Services**

**Proposed Changes in Levels of Service for FY2003**

Federal funds are available on an ongoing basis to assist clients of vocational rehabilitation services in resolving issues. These services are provided through a contract. When the Division of Vocational Rehabilitation (DVR) was part of the Department of Education, these contractual funds were administered by the Office of the Governor. With the transfer of DVR to the Department of Labor and Workforce Development, it is no longer necessary for the Governor's Office to administer the program.

**Education Support Services**

**Summary of BRU Budget Changes by Component**

**From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>2,089.2</b>	<b>0.0</b>	<b>1,421.3</b>	<b>3,510.5</b>
<b>Adjustments which will continue current level of service:</b>				
-Administrative Services	15.0	110.0	8.0	133.0
-Information Services	4.0	0.0	3.8	7.8
-District Support Services	10.6	0.0	0.0	10.6
-Educational Facilities Support	0.0	0.0	6.5	6.5
<b>FY2003 Governor</b>	<b>2,118.8</b>	<b>110.0</b>	<b>1,439.6</b>	<b>3,668.4</b>